

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Unsealed 6/17/11 FILED
KAT MAY 26 PM 4:50
SEALED
SOUTHERN DISTRICT OF CALIFORNIA
DEPUTY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

January 2010 Grand Jury

UNITED STATES OF AMERICA,) Case No. '11 CR 2152 JLS
Plaintiff,) I N D I C T M E N T
v.)
CARMEN TEPPER (1),) Title 18, U.S.C., Sec. 371 -
DENISE MASTRO (2),) Conspiracy to Defraud the
TEPPER TECHNOLOGIES, INC. (3)) United States and to Make False
Defendants.) Statements Under Penalty of
) Perjury in Documents Required by
) Immigration Law; Title 18, U.S.C.,
) Sec. 1546 - Making False Statement
) Under Penalty of Perjury in
) Document Required by Immigration
) Law; Title 18, U.S.C., Sec. 982 -
) Criminal Forfeiture

The grand jury charges:

GENERAL ALLEGATIONS

At all times relevant to this indictment:

The Immigration Framework

1. Any person in the United States who was not a citizen or
national of the United States was an alien.

2. An alien legally admitted to enter and remain in the United
States for a temporary duration of time was a nonimmigrant alien.

//

//

//

GVM:lml:San Diego
5/25/11

JT

1 3. One avenue by which a nonimmigrant alien could legally enter
2 the United States was by obtaining an F-1 visa. An F-1 visa was
3 available to an alien having a residence in a foreign country which
4 he or she had no intention of abandoning, who was a bona fide student
5 qualified to pursue a full course of study, and who sought to enter
6 the United States temporarily and solely for the purpose of pursuing
7 such a course of study at an established academic program, including
8 a language training program, in the United States.

9 4. The Department of State ("DOS") was an agency of the
10 executive branch of the Government of the United States. The
11 Department of State ("DOS") issued various classes of visas necessary
12 for an alien to lawfully enter into, and remain in the United States,
13 including student (F-1) visas.

14 5. The Department of Homeland Security ("DHS") was an agency
15 of the executive branch of the Government of the United States. The
16 Department of Homeland Security ("DHS") had jurisdiction over the
17 adjudication of applications by nonimmigrant aliens for F-1 visas in
18 order to lawful enter into, and remain in, the United States; for
19 maintaining accurate records of nonimmigrant aliens with F-1 visas;
20 for monitoring that nonimmigrant aliens with F-1 visas maintained
21 their status to legally remain in the United States; and for removing
22 nonimmigrant aliens with F-1 visas from the United States who failed
23 to maintain their status (were "out of status").

24 6. Immigration and Customs Enforcement, a component of DHS,
25 administered the issuance of F-1 visas through its Student and
26 Exchange Visitor Program ("SEVP"). SEVP was designed to help DHS and
27 DOS monitor schools that admitted aliens with certain classes of
28 visas, including F-1 visas, and the students who obtained such visas.

1 7. SEVP used the Student and Exchange Visitor Information
2 System ("SEVIS"), an internet website system, to communicate with,
3 track, and monitor academic institutions, including language training
4 programs, that admitted aliens with certain classes of visas,
5 including F-1 visas, as well as students and their dependents who
6 obtained such visas.

7 8. The process by which a nonimmigrant alien obtained an
8 F-1 visa began by the alien applying to a United States government
9 approved school, including one offering a language training program,
10 in the United States. If accepted, the school provided the alien a
11 Form I-20, Certificate of Eligibility for Non-Immigrant (F-1) Student
12 Status - For Academic and Language Students ("Form I-20"). A
13 Form I-20 was required in order for the alien to obtain an F-1 visa
14 allowing them to enter the United States.

15 9. The issuance of Form I-20s, and the entrance into SEVIS of
16 current information on foreign students who received Form I-20s, was
17 the responsibility of a Designated School Official ("DSO"). A DSO was
18 defined by United States regulations as a regularly employed member
19 of the school administration whose office is located at the school and
20 whose compensation does not come from commissions for recruitment of
21 foreign students. A primary DSO ("PDSO") was responsible for updating
22 SEVIS to reflect the addition or deletion of any DSO at his or her
23 school.

24 10. The first time a DSO accesses SEVIS, he or she must agree
25 with a compliance statement indicating that they have read and will
26 comply with certain regulations at all times, including 8 CFR 214.2(f)
27 and 214.3.

28 //

1 11. In order for a school, including a language training
2 program, to have received approval to enroll F-1 students, it must
3 have been certified by SEVP to do so. The certification process was
4 initiated by a school filing a Form I-17, Petition for Approval of
5 School for Attendance by Nonimmigrant Student ("Form I-17"), through
6 SEVIS, and paying a fee. Separate petitions were required for new
7 campuses in the same school system. The Form I-17 listed the
8 individuals the school wanted to become DSOs.

9 12. The Form I-17, Supplement A ("Form I-17A"), included the
10 names, titles, and signatures of each DSO. The Form I-17A, required
11 each DSO to certify that he or she was familiar with, among other
12 things, regulations relating to nonimmigrant students, including
13 8 CFR 214.1 and 8 CFR 214.2(f), and regulations relating to school
14 approval and withdrawal of school approval, namely 8 CFR 214.3 and
15 214.4, and affirming the official's intent to comply with these
16 regulations. An individual who became a DSO after the submission of
17 the Form I-17 was required to make the same certification. The
18 president, owner, or head of the school was also required to verify
19 the DSOs identities, and that they would be responsible for providing
20 the resources and training necessary for the DSOs to properly
21 implement the referenced regulations.

22 13. Once a school, including a language training program, was
23 certified by SEVP, it has the ability to issue Form I-20s directly to
24 prospective alien students.

25 14. Once the Form I-20 was issued to an alien wishing to enter
26 and remain in the United States to attend a United States school,
27 including a language training program, the nonimmigrant alien
28 presented himself or herself along with the Form I-20 and supporting

1 financial documentation to a United States Consulate abroad and
2 applied for issuance of an F-1 student visa.

3 15. After the alien was issued an F-1 student visa at a
4 Consulate abroad, he or she then presented himself or herself at a
5 port of entry in the United States and was admitted as an F-1 student
6 for "duration of status."

7 16. "Duration of status" was defined by 8 CFR 214.2(f)(5) as the
8 time during which an F-1 student is pursuing a "full course of study"
9 at an educational institution, including a language training program,
10 approved by SEVP for attendance by alien students.

11 17. The Form I-20 required for an alien student to receive an
12 F-1 visa contained the student's biographical information, the school
13 and program he or she had been accepted to attend, the report date and
14 length of the program, and proof that the student had necessary funds
15 to live and study in the United States without working or suffering
16 from poverty.

17 18. Pursuant to 8 CFR § 214.2(f)(2), an F-1 student was required
18 to safekeep the initial I-20 and any subsequent copies which had been
19 issued to him or her.

20 19. Pursuant to 8 CFR 214.3(k), a DSO was required to sign a
21 completed I-20 issued by his or her school. The Form I-20 required
22 the DSO to certify under penalty of perjury that the information on
23 it was true. The DSO also certified under penalty of perjury that
24 "the student will be required to pursue a full course of study as
25 defined by 8 CFR 214.2(f)(6)." Also, a Form I-17 required a school
26 official to certify that, if approved, the school would keep a
27 photocopy of each F-1 student's I-20.

28 //

1 20. 8 CFR 214.2(f)(6)(i)(D) defined a "full course of study,"
2 for purposes to include the definition of "duration of status," and
3 the DSO's certification under penalty of perjury on a Form I-20, with
4 regards to a "language, liberal arts, fine arts, or other
5 nonvocational training program" to be "certified by a designated
6 school official to consist of at least eighteen clock hours of
7 attendance a week if the dominant part of the course of study consists
8 of classroom instruction."

9 21. Pursuant to 8 CFR 214.2(f)(1)(iii), SEVP approved schools,
10 including language training programs, were required to issue a new
11 Form I-20 to any current student requiring a "reportable action," such
12 as extensions of the time the student was authorized to stay in the
13 United States beyond the completion date indicated on a previous I-20,
14 reducing the required course load below a full course of study, or
15 transferring to a new school, including a new campus within a school
16 system.

17 22. Pursuant to 8 CFR 214.2(f)(6)(iii), a student who dropped
18 below a full course of study without the prior approval of a DSO, was
19 "out of status."

20 23. Pursuant to 8 CFR 214.2(f)(6)(iii), a DSO could only allow
21 an F-1 student to engage in less than a full course of study, for:
22 1) academic difficulties; 2) medical conditions; or 3) at the end of
23 a course of study if fewer courses were needed to complete the course
24 of study. In these cases, the DSO could authorize the student to
25 engage in half the clock hours required for a full course of study.
26 In order for a DSO to so authorize, the DSO had to update SEVIS prior
27 to such a reduction.

28 //

1 24. Pursuant to 8 CFR 214.3(g)(2)(iii)(A), for each term or
2 session, and no later than thirty days after the deadline for
3 registering for classes, schools, including language training
4 programs, enrolling F-1 students were required to report, for each
5 F-1 student, certain events, including whether the student dropped
6 below a full course of study without prior authorization by a DSO.

7 25. Pursuant to 8 CFR 214.3(g)(2)(ii), a school, including a
8 language training program, that enrolled F-1 students was required to
9 report through SEVIS within 21 days any student who had failed to
10 maintain status or complete his or her program.

11 26. Pursuant to SEVP's policy, a DSO at a school, including a
12 language training program, that enrolled F-1 students, was required
13 to terminate a student in SEVIS when it became known that the student
14 had violated the terms of his or her status by dropping below a full
15 course of study without prior authorization by a DSO.

16 27. An F-1 student who was out of status, including for failure
17 to maintain a full course of study without prior DSO approval, was
18 removable from the United States.

Defendants and Other Entities

20 28. The San Diego International Academy of English ("SDIAE") is
21 a school in and around San Diego, California, that teaches English as
22 a second language ("ESL"), mainly to nonimmigrant aliens who obtain
23 F-1 (student) visas to attend the school. The dominant part of the
24 course of study at SDIAE consisted of classroom instruction. San
25 Diego International Academy of English ("SDIAE") is owned by
26 defendant TEPPER TECHNOLOGIES, INC.

27 //

28 //

1 29. Southern States University ("SSU") is a private university
2 in and around San Diego, California, that offers bachelorette and
3 masters degree programs, and also has students who are enrolled in an
4 ESL program, including nonimmigrant aliens who obtain F-1 visas to
5 attend the school. The dominant part of the course of study at SSU
6 consisted of classroom instruction. SSU is owned by defendant
7 TEPPER TECHNOLOGIES, INC.

8 30. San Diego International Academy of English ("SDIAE") and
9 Southern States University ("SSU") operate at the same site in two
10 locations in and around San Diego, California, including, 6950 Friars
11 Road, Suite 200, San Diego, California, and 3252 Holiday Court, Suite
12 111 and 116, La Jolla, California. San Diego International Academy
13 of English ("SDIAE") also operates at 1727 and 1729 5th Avenue,
14 San Diego, California, and operated, at times, at 3445 Midway, San
15 Diego, California. Southern States University ("SSU") also operates
16 at 919 Garnet Avenue, Suite 207, San Diego, California, and 340
17 Rancheros Drive, Suite 260, San Marcos, California. San Diego
18 International Academy of English ("SDIAE") and Southern States
19 University ("SSU") advertise that they are in partnership with each
20 other.

21 31. San Diego International Academy of English ("SDIAE") and
22 Southern States University ("SSU"), at all of the campuses listed in
23 the preceding paragraph, except the La Jolla, California SSU campus,
24 have been certified by SEVP to issue Form I-20s to nonimmigrant aliens
25 so that those aliens may enter and remain in the United States via an
26 F-1 visa in order to attend the schools.

27 //

28 //

1 32. Defendant CARMEN TEPPER is an owner of defendant
2 TEPPER TECHNOLOGIES, INC., the chairman of the board of directors for
3 defendant TEPPER TECHNOLOGIES, INC., the president of defendant
4 TEPPER TECHNOLOGIES., INC., and an employee of SDIAE and SSU.

5 33. Defendant DENISE MASTRO is an employee of SDIAE and SSU.

Count 1

(18 U.S.C. § 371)

8 34. Paragraphs 1 through 33 of the General Allegations of this
9 Indictment are realleged and incorporated by reference as though fully
10 set forth herein.

11 35. Beginning at an unknown date, but no later than in or around
12 December 2004, and continuing thereafter until May 26, 2011, within
13 the Southern District of California, and elsewhere, defendants
14 CARMEN TEPPER, DENISE MASTRO, and TEPPER TECHNOLOGIES, INC., did
15 knowingly and intentionally conspire and agree with each other, and
16 with other persons both known and unknown to the grand jury;

(A) to defraud the United States, and

18 (B) to commit offenses against the United States in violation
19 of Title 18, United States Code, Section 1546(a), that is, to
20 knowingly subscribe as true under penalty of perjury, as permitted
21 under Section 1746 of Title 28, United States Code, a false statement
22 with respect to a material fact in an application and other document
23 required by the immigration laws and regulations prescribed
24 thereunder, that is, in a Form I-20, Certificate of Eligibility for
25 Nonimmigrant (F-1) Student Status - For Academic and Language
26 Students.

27 //

28 | //

1 36. It was a part of the conspiracy that defendants
2 CARMEN TEPPER, DENISE MASTRO, and TEPPER TECHNOLOGIES, INC., would
3 defraud the United States by interfering with and obstructing the
4 lawful governmental functions of DHS, that is, the maintenance of
5 accurate records of nonimmigrant aliens with F-1 visas, monitoring
6 that nonimmigrant aliens with F-1 visas maintained their status to
7 legally remain in the United States, and removing from the United
8 States nonimmigrant aliens with F-1 visas who failed to maintain their
9 status (were "out of status"), by failing to terminate in SEVIS
10 F-1 students at SDIAE and SSU who violated the terms of their status
11 by dropping below a full course of study without a DSO's prior
12 approval, all by deceit, craft and trickery and by means that are
13 dishonest.

PURPOSE OF THE CONSPIRACY

15 37. The purpose of the conspiracy was for the defendants
16 CARMEN TEPPER and DENISE MASTRO to unjustly enrich themselves by
17 defrauding the United States by not terminating in SEVIS F-1 students
18 at SDIAE and SSU who violated the terms of their status by dropping
19 below a full course of study without a DSO's prior approval, and by
20 issuing Form I-20s to nonimmigrant aliens containing false and
21 fraudulent certifications that the aliens would be required to take
22 a full course of study at SDIAE and SSU, despite defendants
23 CARMEN TEPPER and DENISE MASTRO knowing that the nonimmigrant aliens
24 would not be required to attend a full course of study as required by
25 federal laws and regulations, in order for the aliens to obtain and
26 maintain F-1 student visas to attend SDIAE and SSU, allowing the
27 schools to collect tuition payments from the nonimmigrant aliens.

28 //

MANNER AND MEANS OF THE CONSPIRACY

2 The manner and means by which the defendants CARMEN TEPPER and
3 DENISE MASTRO sought to accomplish the purpose of the conspiracy
4 included, among other things, the following:

5 38. The defendants CARMEN TEPPER and DENISE MASTRO on behalf of
6 SDIAE and SSU, filled out Form I-17 applications with the Department
7 of Homeland Security to have SDIAE and SSU approved to issue
8 Form I-20s to nonimmigrant alien students. As part of the application
9 process, the defendants CARMEN TEPPER and DENISE MASTRO stated that
10 they were familiar with pertinent federal regulations related to
11 nonimmigrant students, including 8 CFR 214.2(f), and regulations
12 related to school approval and withdrawal of school approval,
13 including 8 CFR 214.3, and that they intended to comply with those
14 regulations.

15 39. Defendant DENISE MASTRO, and others, issued Form I-20s to
16 nonimmigrant aliens, which the nonimmigrant aliens used to obtain
17 F-1 student visas from the United States Department of State.

18 40. On the Form I-20s, defendant DENISE MASTRO and others, would
19 falsely and fraudulently subscribe as true under penalty of perjury
20 that the students would be required to pursue a full course of study
21 as defined by federal regulations.

22 41. San Diego International Academy of English ("SDIAE") and
23 Southern States University ("SSU") would receive tuition payments from
24 nonimmigrant aliens who received F-1 visas based on Form I-20s issued
25 by SDIAE and SSU, despite the fact that, as defendants CARMEN TEPPER
26 and DENISE MASTRO knew at the times the I-20s were issued, the
27 nonimmigrant aliens would not be required to pursue a full course of
28 study.

1 42. Despite federal regulations requiring them to report to SEVP
2 F-1 students' violations of the requirement to pursue a full course
3 of study, at each term or session, and no later than thirty days after
4 the deadline for registering for classes, the defendants CARMEN TEPPER
5 and DENISE MASTRO would fail to report to SEVP that many F-1 students
6 at SDIAE and SSU were not pursuing a full course of study without
7 approval to do so.

8 43. Despite federal regulations requiring them to report to SEVP
9 within 21 days any F-1 student who had failed to maintain status, the
10 defendants CARMEN TEPPER and DENISE MASTRO would fail to report to
11 SEVP that many F-1 students at SDIAE and SSU failed to maintain
12 status.

13 44. Despite being required to do so by SEVP regulations,
14 defendants CARMEN TEPPER and DENISE MASTRO would not terminate
15 F-1 students' I-20 in SEVIS who violated the terms of their status by
16 dropping below a full course of study without a DSO's prior approval.

17 45. The defendants CARMEN TEPPER and DENISE MASTRO failed to
18 report to DHS that many nonimmigrant aliens with F-1 visas were not
19 pursuing a full course of study at SDIAE and SSU, by failing to
20 terminate such nonimmigrant aliens in SEVIS, so that those
21 nonimmigrant aliens would retain their F-1 status and continue to pay
22 tuition to SDIAE and SSU, rather than being removed from the United
23 States by the Department of Homeland Security.

24 //

25 //

26 //

27 //

28 //

1

OVERT ACTS

2 In furtherance of the conspiracy, and to accomplish the purpose
3 thereof, at least one of the co-conspirators committed and caused to
4 be committed, within the Southern District of California, at least one
5 of the following overt acts, among others:

6 46. At some time between September 2005 and May 2006, defendant
7 DENISE MASTRO told an ESL teacher at SDIAE's downtown campus to credit
8 students for attending class for an entire week if they handed in a
9 paper at the end of the week.

10 47. On a few occasions between September 2005 and March 2009,
11 defendant DENISE MASTRO told an employee of SDIAE and SSU that
12 defendant CARMEN TEPPER did not want students who were paying their
13 tuition to be terminated in SEVIS regardless of whether they were
14 attending class or not.

15 48. Between approximately 2006 and August 2008, defendant
16 CARMEN TEPPER regularly told an SDIAE DSO that the school's attendance
17 policies were just so the school could have them on paper to send to
18 accreditation bureaus.

19 49. Between approximately 2006 and August 2008, defendant
20 CARMEN TEPPER repeatedly told an SDIAE DSO to keep students active in
21 SEVIS even though the students were not attending classes enough to
22 maintain a full course of study.

23 50. On or about June 30, 2006, defendant DENISE MASTRO, did
24 falsely subscribe as true under penalty of perjury, in a Form I-20,
25 that Y.Y. would be required to pursue a full course of study as
26 defined by 8 CFR 214.2(f)(6) at SDIAE.

27 //

28 //

1 51. On or about September 5, 2006, defendant DENISE MASTRO, did
2 falsely subscribe as true under penalty of perjury, in a Form I-20,
3 that M.S. would be required to pursue a full course of study as
4 defined by 8 CFR 214.2(f)(6) at SDIAE.

5 52. On or about December 4, 2006, defendant CARMEN TEPPER signed
6 a Form I-17A indicating that she read, and intended to comply with,
7 federal regulations related to her duty to report to SEVP when
8 students at SDIAE's Fashion Valley campus failed to maintain status,
9 and when students dropped below a full course of study.

10 53. On or about December 4, 2006, defendant DENISE MASTRO signed
11 a Form I-17A indicating that she read, and intended to comply with,
12 federal regulations related to her duty to report to SEVP when
13 students at SDIAE's Fashion Valley campus failed to maintain status,
14 and when students dropped below a full course of study.

15 54. On or about December 4, 2006, defendant CARMEN TEPPER
16 falsely stated to a DHS contract investigator that students at SDIAE's
17 Fashion Valley and La Jolla campuses would be required to maintain
18 18 weekly instructional hours and those students would not be allowed
19 to drop below a full course of study.

20 55. On or about January 22, 2007, defendant CARMEN TEPPER signed
21 a Form I-17A indicating that she read, and intended to comply with,
22 federal regulations related to her duty to report to SEVP when
23 students at SDIAE's La Jolla campus failed to maintain status, and
24 when students dropped below a full course of study.

25 //

26 //

27 //

28 //

1 56. On or about January 22, 2007, defendant DENISE MASTRO signed
2 a Form I-17A indicating that she read, and intended to comply with,
3 federal regulations related to her duty to report to SEVP when
4 students at SDIAE's La Jolla campus failed to maintain status, and
5 when students dropped below a full course of study.

6 57. On or about September 17, 2007, defendant CARMEN TEPPER
7 signed a Form I-17A indicating that she read, and intended to comply
8 with, federal regulations related to her duty to report to SEVP when
9 students at SSU's Fashion Valley campus failed to maintain status, and
10 when students dropped below a full course of study.

11 58. On or about September 17, 2007, defendant DENISE MASTRO
12 signed a Form I-17A indicating that she read, and intended to comply
13 with, federal regulations related to her duty to report to SEVP when
14 students at SSU's Fashion Valley campus failed to maintain status, and
15 when students dropped below a full course of study.

16 59. Between approximately August 2008 and March 2009, defendant
17 DENISE MASTRO transferred 1-2 students per month from SDIAE's downtown
18 campus to SDIAE's Pacific Beach campus, knowing their attendance was
19 poor and therefore they were failing to pursue a full course of study.

20 60. On or about October 8, 2008, defendants CARMEN TEPPER and
21 DENISE MASTRO were present when one of them, or an employee of SSU,
22 falsely stated to a DHS contract investigator that at SSU's San Marcos
23 campus, F-1 students attendance were monitored to assure they are
24 maintaining a full course of study.

25 //

26 //

27 //

28 //

1 61. On or about October 14, 2008, defendant CARMEN TEPPER signed
2 a Form I-17A indicating that she read, and intended to comply with,
3 federal regulations related to her duty to report to SEVP when
4 students at SSU's San Marcos campus failed to maintain status, and
5 when students dropped below a full course of study.

6 62. On or about October 14, 2008, defendant DENISE MASTRO signed
7 a Form I-17A indicating that she read, and intended to comply with,
8 federal regulations related to her duty to report to SEVP when
9 students at SSU's San Marcos campus failed to maintain status, and
10 when students dropped below a full course of study.

11 63. In or about November 2008, defendant DENISE MASTRO
12 transferred T.D. from SDIAE's downtown campus to SDIAE's Pacific Beach
13 campus despite T.D.'s failure to pursue a full course of study at the
14 downtown campus between April 2008 and October 2008.

15 64. Sometime between approximately November 2008 and December 8,
16 2008, defendant CARMEN TEPPER told SDIAE's Pacific Beach site director
17 not to terminate T.D.'s Form I-20, despite his failure to maintain a
18 full course of study.

19 65. On or about December 8, 2008, defendant DENISE MASTRO
20 transferred T.D. from SDIAE's Pacific Beach campus to SSU's Fashion
21 Valley campus, despite T.D.'s failure to pursue a full course of study
22 prior to the transfer.

23 66. Between November 2008 and May 2009, defendants CARMEN TEPPER
24 and DENISE MASTRO told SDIAE's and SSU's accountant that they did not
25 want to terminate all at once in SEVIS a large number of students
26 identified as neither attending class nor paying tuition, because they
27 did not wish to bring attention to themselves from federal immigration
28 officials.

1 67. On or about February 9, 2009, defendant DENISE MASTRO, did
2 falsely subscribe as true under penalty of perjury, in a Form I-20,
3 that S.P. would be required to pursue a full course of study as
4 defined by 8 CFR 214.2(f)(6) at SDIAE.

5 68. On or about February 10, 2009, defendant DENISE MASTRO, did
6 falsely subscribe as true under penalty of perjury, in a Form I-20,
7 that D.H. would be required to pursue a full course of study as
8 defined by 8 CFR 214.2(f)(6) at SDIAE.

9 69. On or about February 11, 2009, defendant DENISE MASTRO, did
10 falsely subscribe as true under penalty of perjury, in a Form I-20,
11 that N.K. would be required to pursue a full course of study as
12 defined by 8 CFR 214.2(f)(6) at SDIAE.

13 70. In or about May 2009, defendant DENISE MASTRO told SDIAE's
14 and SSU's accountant that she was fired because defendant
15 CARMEN MASTRO was afraid she would report to law enforcement officials
16 problems with the way the schools were handling information in SEVIS.

17 71. On or about July 27, 2009, defendant DENISE MASTRO, did
18 falsely subscribe as true under penalty of perjury, in a Form I-20,
19 that A.B. would be required to pursue a full course of study as
20 defined by 8 CFR 214.2(f)(6) at SDIAE.

21 72. On or about September 18, 2009, defendant DENISE MASTRO, did
22 falsely subscribe as true under penalty of perjury, in a Form I-20,
23 that V.N. would be required to pursue a full course of study as
24 defined by 8 CFR 214.2(f)(6) at SDIAE.

25 //

26 //

27 //

28 //

1 79. On or about April 23, 2010, defendant DENISE MASTRO, did
2 falsely subscribe as true under penalty of perjury, in a Form I-20,
3 that C.L. would be required to pursue a full course of study as
4 defined by 8 CFR 214.2(f)(6) at SDIAE.

Counts 2-11

(18 U.S.C. § 1546(a))

7 80. On or about the dates listed below, in the Southern District
8 of California, defendants DENISE MASTRO and CARMEN TEPPER did
9 knowingly subscribe as true under penalty of perjury, as permitted
10 under Section 1746 of Title 28, United States Code, a false statement
11 with respect to a material fact, that is, that the students listed
12 below would be required to pursue a full course of study as defined
13 by 8 CFR 214.2(f)(6) at SDIAE, which statement defendants DENISE
14 MASTRO and CARMEN TEPPER then and there knew was false, in that those
15 students would not be required to pursue a full course of study as
16 defined by 8 CFR 214.2(f)(6) at SDIAE, in an application and document
17 required by the immigration laws and regulations prescribed
18 thereunder, that is, in a Form I-20, Certificate of Eligibility for
19 Nonimmigrant (F-1) Student Status - For Academic and Language
20 Students, in violation of Title 18, United States Code,
21 Section 1546(a), and *Pinkerton v. United States*, 328 U.S. 640 (1946).

11

23 //

24 //

25 //

26 //

27 //

28 //

1 73. On or about December 21, 2009, defendant CARMEN TEPPER was
2 present when she, or an employee of SDIAE, falsely stated to a
3 DHS contract investigator that at SDIAE's Point Loma campus, before
4 a student would be allowed to drop below a full course of study, a
5 PDSO would update SEVIS indicating that the student had been allowed
6 to do so.

7 74. On or about January 4, 2010, defendant CARMEN TEPPER signed
8 a Form I-17A indicating that she read, and intended to comply with,
9 federal regulations related to her duty to report to SEVP when
10 students at SDIAE's Point Loma campus failed to maintain status, and
11 when students dropped below a full course of study.

12 75. On or about January 4, 2010, defendant DENISE MASTRO signed
13 a Form I-17A indicating that she read, and intended to comply with,
14 federal regulations related to her duty to report to SEVP when
15 students at SDIAE's Fashion Valley campus failed to maintain status,
16 and when students dropped below a full course of study.

17 76. On or about January 24, 2010, defendant DENISE MASTRO, did
18 falsely subscribe as true under penalty of perjury, in a Form I-20,
19 that N.P. would be required to pursue a full course of study as
20 defined by 8 CFR 214.2(f)(6) at SDIAE.

21 77. On or about February 4, 2010, defendant DENISE MASTRO, did
22 falsely subscribe as true under penalty of perjury, in a Form I-20,
23 that D.S. would be required to pursue a full course of study as
24 defined by 8 CFR 214.2(f)(6) at SDIAE.

25 78. On or about March 2, 2010, defendant DENISE MASTRO told
26 Y.Y., an intern at SDIAE's downtown campus, to falsely tell
27 immigration officers she was attending classes at SDIAE.

28 //

	<u>COUNT</u>	<u>DATE</u>	<u>STUDENT</u>
2	2	June 30, 2006	Y.Y.
3	3	September 5, 2006	M.S.
4	4	February 9, 2009	S.P.
5	5	February 10, 2009	D.H.
6	6	February 11, 2009	N.K.
7	7	July 27, 2009	A.B.
8	8	September 18, 2009	V.N.
9	9	January 24, 2010	N.P.
10	10	February 4, 2010	D.S.
11	11	April 23, 2010	C.L.

CRIMINAL FORFEITURE ALLEGATIONS

(18 U.S.C. § 982)

81. The allegations contained in Counts 1 through 11 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures to the United States pursuant to Title 18, United States Code, Section 982(a)(6).

82. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 371 and 1546 set forth in Counts 1 through 11 of this Indictment, the defendants CARMEN TEPPER and TEPPER TECHNOLOGIES, INC., shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(6):

//
//
//
//
//
//
//
//

3 (B) any property, real or personal --

9 The property to be forfeited includes, but is not limited to: the
10 sum of \$3,031,855.00 in United States currency, and all proceeds
11 traceable thereto, in that such sum of property in the aggregate
12 constitutes proceeds obtained directly or indirectly from the
13 commission of the criminal offenses set forth in Counts 1 through 11.
14 Each of the defendants is jointly and severally liable for the full
15 amount of the forfeitures.

16 83. If any of the property described above, as a result of any
17 act or omission of the defendants:

18 a. cannot be located upon the exercise of due diligence;
19 b. has been transferred or sold to, or deposited with, a
20 third party;

21 c. has been placed beyond the jurisdiction of the court;
22 d. has been substantially diminished in value; or
23 e. has been commingled with other property which cannot
24 be divided without difficulty.

25 //

26 //

27 //

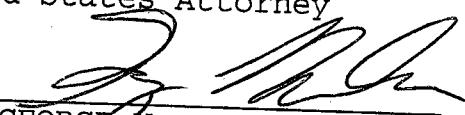
28 //

1 the United States of America shall be entitled to forfeiture of
2 substitute property pursuant to Title 21, United States Code,
3 Section 853(p), as incorporated by Title 18, United States Code,
4 Section 982(b)(1) and Title 28, United States Code, Section 2461(c).
5 All pursuant to 18 U.S.C. § 982(a)(6) and 28 U.S.C. § 2461(c).
6
7 DATED: May 26, 2011.

8
9 A TRUE BILL:
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28


Laura E. Duffy
Foreperson

LAURA E. DUFFY
United States Attorney

By: 
GEORGE V. MANAHAN
Assistant U.S. Attorney